

# **CALFED Water Use Efficiency (WUE)**

## **Progress Report & Outstanding Issues**

### **1. Define Incentive Grant Programs**

The WUE Program Element will use incentives to motivate water suppliers and water users to generate CALFED benefits by implementing conservation practices beyond the locally cost-effective level of BMPs and EWMPs. The incentive program incorporates two key principals: 1) incentives are the most effective way of unlocking the creativity and motivation of local entities, and 2) it is appropriate to invest public funds in projects that provide public (CALFED) benefits.

#### **a. Resolve Water Conservation Beneficiary Issues**

Stakeholders have raised questions regarding the disposition of water conserved using CALFED Incentive Grant Funding. Consider the following hypothetical example:

- A water supplier proposes a project to the CALFED WUE Incentive Grant Program that would demonstrably reduce flows to a salt sink, resulting in real water savings.
- The project would provide local benefits, but is not locally cost-effective.
- The proposing water supplier requests CALFED Incentive Grant funding to pay the difference between the project cost and the value of the local benefits.
- The reduction of flows to the salt sink reduces the mismatch between Delta supply and demand and helps CALFED meet its water supply reliability objectives.
- The proposed project compared favorably to other proposals.

Would the conserved water remain under the control of the water supplier in this case? Although this issue has important legal considerations, from a practical standpoint, CALFED will attract many more cooperators to our WUE Incentive Program if they are allowed to keep their conserved water. This will have a large impact on long-term potential for CALFED sponsored water conservation programs.

#### **b. Resolve Inconsistencies in Ag & Urban Cost & Conservation Estimates**

During development of incentive criteria, technical staff found possible discrepancies between CALFED conservation potential and cost estimates. The cost estimates are being refined using recently developed economic data. Although more accurate estimates will be available by the Record of Decision, these issues will not be fully resolved until the first year of Stage 1.

**c. Define Ag & Managed Wetlands Incentive Criteria**

Quantifiable Objectives will encompass region-specific objectives for improving water quality, flow and timing and increasing water quantity and will be the basis of the Ag WUE incentives. The Ag WUE technical team plans to have 10-20 sample Quantifiable Objectives completed by late February and the remaining 200 done by November.

The Ag WUE Steering Committee is working with the technical team to prioritize the Quantifiable Objectives to provide criteria for incentive selection.

**d. Define Urban Incentive Criteria**

The urban technical team is working with an ad hoc stakeholder/agency group to define incentive selection related to water quantity, quality, flow and timing. This work is being closely coordinated the California Urban Water Conservation Council (CUWCC).

**e. Define Recycling Incentive Criteria**

As with urban WUE, we will define incentive criteria using an ad hoc stakeholder group. The group is currently being organized.

**2. Establish WUE Assurances**

WUE staff is working closely with the 404 MOA work group to establish and articulate assurances of a sufficient WUE program during Stage 1. Elements of these assurances include minimum membership in the AWMC and CUWCC, robust incentive programs (see above), and adequate funding commitments.

**3. Negotiate AWMC / CALFED Cooperative Agreement**

AWMC and CALFED representatives are working to identify and formalize the mutual benefits and terms of collaboration. Benefits to the AWMC could include greater stakeholder acceptance and CALFED funding support. CALFED benefits could include increased confidence in Stage 1 assurance (see above) and greater access to cost-effectiveness data.

**4. Urban BMP Certification**

The WUE urban technical team is currently revising urban BMP certification proposal with review by the urban ad hoc committee CUWCC representatives. The draft proposal document should be available with the final EIS/EIR.

## **5. Governance / Agency Coordination**

WUE staff is working with the CALFED Governance and agency representatives to better define governance and coordination issues related to implementing technical assistance and managing loans and grants. We are also exploring the best role and working relationship for the CUWCC and AWMC in CALFED implementation.

## **6. Measurement**

We preparing to convene an Independent Review be to assist CALFED in defining appropriate measurement as part of the proposed Stage 1 action related to drafting measurement legislation. The Panel is expected to answer two key questions: 1) what are the objectives or intended benefits of measurements; and, 2) what is the best way to meet those objectives in various conditions. The specific questions to be engaged will be framed during a Scoping Session by the panelists themselves, in discussion with CALFED staff and stakeholders.

The panel sessions will involve stakeholders and be conducted in public through the following steps (with expected completion dates):

- Step One: Information Gathering and Pre-Panel Briefing (March 2000)
- Step Two: Conduct Scoping Session (April 2000)
- Step Three: Execute Scope of Work - including survey of measurement methods and benefits (Late-Summer 2000)
- Step Four: Convene Panel - including preparation of final report (Fall 2000)

## **7. FY 2000 Pilot Projects**

We are actively engaged in selection of ag and urban Wue pilot projects. The purpose of the pilots will to answer key implementation questions. The following steps will be use to select pilot projects:

- Convene a meeting of agency representatives to provide advice on potential pilots.
- WUE staff will recommend three to four pilot projects
- Seek review from CALFED Management
- Seek stakeholder comment from the Ag WUE Steering Committee, ad hoc urban WUE committee and BDAC
- Request Policy Meeting concurrence
- Award projects through directed actions

## **8. Convene Evaporation Reduction Technical Committee**

The potential for reducing evaporation and unwanted transpiration (particularly in agriculture) has not been adequately quantified. Informal staff research indicates that the potential could range from a negligible to significant. We are taking the following steps to provide credible near- and long-term evaporation reduction estimates (and expected completion dates):

- Commissioning a reconnaissance study through the Cal Poly Irrigation Training and Research Center to provide a near-term estimate (Late-Summer 2000).
- Organizing a technical committee to advise CALFED on an effective and rigorous research strategy. The committee will include accomplished scientists and engineers (including the principal investigator of the Cal Poly study). This step is being jointly conducted and co-sponsored by the USBR Least Cost Yield Analysis (May 2000).